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MONTHLY REVIEW

AN INDEPENDENT SOCIALIST MAGAZINE

**THE FIRST REVOLT AGAINST
GLOBALIZATION**

Raghu Krishnan

**WHAT KIND OF CAPITALISM?
THE REVIVAL OF CLASS STRUGGLE
IN CANADA**

Errol Black and Robert Chernomas

1



Also inside: Patrick Flaherty examines new archival evidence that questions Cold War mythology; Reviews of books by Edward Said and Carl Marzani

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REVIEW OF THE MONTH: "The First Revolt Against Globalization" by Raghu Krishnan	1
WHAT KIND OF CAPITALISM? THE REVIVAL OF CLASS STRUGGLE IN CANADA by Robert Chernomas and Errol Black	23
ORIGINS OF THE COLD WAR: NEW EVIDENCE by Patrick Flaherty	35
CORRESPONDENCE	
Scrofula—"The King's Evil" by Percy Brazil	48
BOOKS	
A Serious Person by W.H. Locke Anderson	49
The Intellectual and the Challenge of Palestine by Nubar Hovsepian	53

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NOTES FROM THE EDITORS

The recession of 1974-1975 marked a decisive turning point in post-Second World War economic history. The 1950s and 1960s are now looked back upon as a "golden age" of prosperity and plentiful jobs. By contrast we are now well into the third decade of relative stagnation—slow growth, declining wages, persistent unemployment. Against this background, it is hardly surprising, especially in a presidential election year, that public concern and debate, should increasingly focus on these issues, conveniently summarized in the simple question: why did the rate of increase of the country's Gross Domestic Product (GDP), the measure of its total production of goods and services, fall from 4.4 percent in the 1960s to 1.8 percent so far in the 1990s, a decline of almost 60 percent.

If we had the answer to this question, presumably it would be possible to institute policies that would reverse the decline and put us on the road to happy days again. And indeed some of the presidential hopefuls this year have made gestures in that direction—Dole's promise to "liberate the great engine of private enterprise," Forbes's belief in the alchemy of the flat 17 percent tax, Clinton's enthusiasm for education and training for nonexistent jobs—but

Continued on inside back cover

DECEMBER 1995: "THE FIRST REVOLT AGAINST GLOBALIZATION"

by Raghu Krishnan

France has just gone through its deepest social crisis in almost thirty years. A three-week strike of workers in the country's rail and public transport networks was the driving force behind a much broader strike and social movement against the right-wing government's economic and social plans. For the railworkers, the immediate cause of the strike was the release of a government plan to cut their pensions and implement a "restructuring" program that threatened the shutdown of six thousand kilometers of railway lines and a corresponding loss in jobs. Seventy-three thousand jobs have already been lost since the mid-1980s, while one hundred eighty-five thousand workers remain.¹

Pensions were also the main issue for the remaining public sector workers. At issue was the number of years one would have to work to qualify for full benefits. This strike combined with overwhelming opposition to the government's planned social security overhaul—which includes dismantling the way health care has been financed since after the Second World War and taxing workers and the poor to reduce the deficit.

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The ensuing protest movement became a generalized revolt against the overall social and economic orientation of government and business over the last fifteen years—and against the media and academic elites that support it. It was a cry of desperation and anger against growing unemployment and the phenomenal rise in homelessness, poverty, and violence in the country.

There was something “very French” about the December events. Not so much linked with the “hot-blooded Latin character” of the French as with their recent history. The system of strong public services and social solidarity has deep roots in French history—most recently in the events and social forces associated with the liberation from Nazi occupation and struggles following the war. After the protest movement, some spoke of how it asserted the “age-old republican tradition of citizens preferring disorder over injustice.”²

Echoing this French Republican tradition, Pierre Bourdieu, the initiator of a petition of intellectuals in support of the December movement, told a meeting of striking railworkers at the Gare de Lyon in Paris,

I have come to declare our support to those who have been in struggle these past three weeks against the destruction of a civilization linked to the existence of the public service—a civilization grounded in the republican notion of equal rights. The right to education, to healthcare, to culture, to study and art and, above all else, to work.³

An explosive French political and social life in turn is linked to the authoritarian nature of the political system. The president is all-powerful for seven years, and with the current huge majority held by the president’s allies in parliament there is little space or motivation for compromise.

As for the French labor movement, its strongholds have traditionally been in heavy industry and industries nationalized after the Second World War. Its membership actually peaked in the mid-1940s and has declined ever since, save for a short-lived increase after the events of 1968.

Trade union membership has fallen by 65 percent since 1974, now encompassing an abysmally low 8 percent of the

workforce—the lowest rate among the twenty-five richest industrial countries in the OECD.

The ability of such a small number of organized workers to become the epicenter of such a huge social movement is the product of a number of factors. For one, there are the more committed and politicized revolutionary syndicalist traditions of French trade unionism dating back to the turn of the century. This stands in contrast to the business-style, passive, dues-collecting unionism common to other Western countries. Then there is the key place of “politics”—conflict with the state, the struggle for power—in France since the revolution of 1789-1793. Most of all, however, this is a reflection of the deep crisis and the depth of popular anger in France today.⁴

At a time when so many countries in the world are experiencing a social and economic crisis and a breakneck transition from one form of social organization to another, the French events clearly have global implications. Indeed, the repercussions of “December ’95” are already being compared to those unleashed by “May ’68”—the heady strike and social movement that paralyzed the country for a month and left a deep imprint on the political, cultural, and social life of an entire generation, both inside and outside of France.

Among the most lasting impressions of “December ’95” will undoubtedly be the way it has opened up some breathing space in the suffocating right-wing ideological climate that has characterized France and most of the world since the early 1980s. The overriding message of the strike and social movement is that the right-wing offensive of cutbacks and layoffs is not the “only possible economic policy” as the French and most everyone else have been told ad nauseam in recent times.

It was a stiff rebuke for those who say there is “no other solution”—in the richest, most productive, and developed countries in the world—than mass unemployment, growing homelessness, declining quality of and access to basic utilities, inequality between regions, environmental degradation, and xenophobia.

In a front-page headline, the daily *Le Monde* called the protest “the first revolt against globalization.”⁵ It could be argued that the Zapatista uprising in southern Mexico in January 1994—timed to coincide with the implementation of the North American Free Trade Agreement—was the first such revolt, but let’s not quibble.⁶ In both cases, it wasn’t so much a revolt against the idea of globalization as against the steamroller character of the “globalization” currently underway: a “globalization” characterized primarily by the thirst for markets and profit of a small number of multinational corporations and financial institutions based overwhelmingly in the rich Western countries and Japan.

The stakes are particularly high in Western Europe, where governments and big business have thrown their weight behind a European Union seen first and foremost as a freeing up of borders for capital, goods, and services. Social programs and public services are to be levelled downwards within the Union rather than upwards, with the most lucrative parts of national public services and programs (health, pensions, transport, postal service, telecommunications, electricity and so on) being privatized—tumbling from the hands of the “public monopolies” into those of even larger private utility, pension fund, mutual fund, and insurance monopolies.⁷

Strikers and protestors made a direct link between the government’s agenda and the demands of the European Union project. The infamous “Maastricht criteria” (named after the Dutch city where the agreement was signed) require high interest rates, a slashing of government deficits, the dismantling of public services, and an alignment of central bank policies—all in the interests of a single currency and a “level playing field.” Yet the very same Maastricht Treaty was approved only by a very slim margin in France in a September 1992 referendum. This in spite of the fact that nearly all of the major political forces and media outlets called for a Yes vote, going so far as to predict catastrophe in the event of a referendum defeat. Along with Germany, France and its big companies form the centerpiece of the European Union project. If it can’t be pushed through against the will of the French

people, then the whole scheme is in for a very rough ride. No surprise that the social explosion in France provoked a lot of panic and disdain in West European capitals and among the editorial teams of the leading European daily newspapers. Not to mention a lot of similar strikes and protests in other Western European countries, including Belgium, Luxembourg, and Italy.⁸

Participants in December's strikes and protests in France sent an important message to the world: yes, the working class does in fact exist. From the 1980s onwards, we have been treated to all sorts of ideological nonsense about how the working class in the industrialized countries was no more. We were headed into a "new age" where work would be done by computers and everyone else would simply have to figure out what to do with their "leisure time." "Surfing" the Internet? "Eco-tourism" in Brazil? "Virtual reality" video games and sex? "Cyber-shopping" from home? The choices would be endless and available to all in the "new age of prosperity." However, it turns out that ordinary people continue to do the work, and that those with excess "leisure time" are usually the millions who have been unceremoniously kicked out of the labor force, who have never even been in it, or who have low-wage, part-time, unstable jobs.

Politics and culture in this luckless era of ours have effectively "forgotten" that the majority of people's adult lives are spent at work—or in search of it, as the case may be. In addition to being stuck doing boring, tiring, and repetitive tasks, working people must also put up with an insufferably authoritarian climate of fear and suspicion on the job—made all the worse by the constant threat of unemployment.

One observer noted that the December events in France signaled not only the existence of a classical working class—defined as those who must sell their labor power to survive—but also that this working class occupies a clear majority position within French society. The protest movement underlined the basic unity and mass character of labor in the country. Out of the movement emerged a working-class identity and a sense that workers in France are at a crossroads, as

were U.S. workers at the time of the air traffic controllers strike under Ronald Reagan and British workers at the time of the miners strike under Margaret Thatcher.⁹

One thing is certain. The events in France show that a movement based on the workplace and its relation to society will be a key component of any democratic regeneration and any re-emergence of passion and creativity in our societies.

The protest movement brought out the railworkers, public transport drivers and maintenance teams, nurses and hospital staff, postal workers, government office workers, central bank workers, garbage collectors, teachers, autoworkers, telephone operators, airline staff and airport maintenance teams, electric company workers, staff from some daily newspapers, printshop workers, and numerous others. It became obvious that this working class is not solely made up of "middle-aged, blue collar white men," as the stereotyped image of trade union membership would have one think. There were young and old workers, black workers, women workers, white and "grey" collar workers, university and college-educated workers, and so on. There they all were in the streets of every city, town, and village of France, headed up by the railworkers, chanting "tous ensemble, tous ensemble!" ("everyone together, everyone together!").

The workers marched behind the banners of their workplaces, often with the combined insignia of all the unions, or they marched under the colorful balloons of their unions. At the marches, there was a spontaneous unity between unionized and non-unionized workers, between different trade unions, between workers from entirely different sectors of the economy. Also present were contingents from groups of the unemployed and the homeless, as well as students and small groups of organized immigrant workers.

Artists were there, some on stilts, some juggling, some handing out "guerrilla art," lending the protests a carnival-like atmosphere. Theater and dance companies in the working class Paris suburbs, in Montpellier, Lille, Marseilles, and elsewhere held assemblies to discuss the movement, joined the

marches, and often began their performances with statements of support for the strikers.¹⁰

It was particularly heartwarming to see working people reclaiming the streets of a Paris that has seen working-class neighborhoods gutted to make way for luxury condominiums and office space—throwing people into the streets or into the distant and often hellish suburbs. A Paris overrun by cars, becoming more austere and unaffordable with each passing day. A Paris that in recent times had come to resemble a police state—with police and the government taking advantage of a terrorist bombing campaign to develop a siege mentality and accustom the population to deployments of troops and the hated CRS national police on the streets and in public places. Not long after the government's "Vigipirate" anti-terrorist plan went into effect, some sixteen thousand "illegals" had already been expelled from the country—a telling statistic of how the government turned its campaign "against terrorism" into an attack on the country's Arab and African immigrant populations. In the midst of the protest movement, streetside garbage cans still sealed as a security measure against "terrorist bombs" served as a reminder of this siege-like atmosphere.¹¹

The movement actually proved to be stronger and proportionately bigger outside of the Paris region, particularly in the south and west in cities like Marseilles, Toulouse, Rouen, Caen, and Bordeaux, the city where Prime Minister Juppe is also mayor. This regionalization of protest movements was evident in the no vote against Maastricht in the September 1992 referendum and in the revolt against the student and youth minimum wage in early 1994. This phenomenon is linked, on the one hand, to the great damage done to these regions by the economic crisis and European construction. On the other hand, the workers of these regions risk being hurt the most by cuts in public services and in public educational institutions set up in the 1980s to decentralize the system and meet growing needs. Actions in these regions were more massive and more daring. Striking Marseilles public transport workers, for example, continued their action after other cities had returned to the job. In addition to the de-

mands of the national protest movement, the workers in this Mediterranean port town were also calling for the retroactive cancellation of a two-year old policy placing newly hired workers in a series of public sector operations in a lower pay bracket. The strike remained solid until management was forced to agree to their demands in the second week of January.¹²

“December ’95” was also a revolt against the arrogance and contempt of technocratic rulers and elites who invoke “necessity” and the “national interest” to justify measures dictated by their selfish interests and little else. A whole debate emerged over the huge gap (in values, outlook, experience) separating the population from government, media, and business elites. One study, for example, revealed the huge difference in opinions on the Juppe reform package between the media and the population.¹³ More specifically, the French were protesting against the flat-out lies of President Jacques Chirac, who came to power in mid-1995 on promises to make the democratization of political life and the fight against social injustice his top priorities. Instead he proceeded to blow up nuclear devices in the South Pacific and, not six months after being elected, swear in a government intent on dismantling the public sector and further shifting the tax burden onto working people and the poor. Both projects were opposed by a majority of the population; both were pushed through without consultation or discussion.

The government’s contempt for the population reflects a general tendency in the liberal democracies of the industrialized countries. Despite all the tiresome “anti-state” hoopla of recent times, we are not so much seeing a “dismantling of the state” in these countries as a change in its role and makeup, and a growing alignment between state, business, media, and academia. Before the economic crises of the 1970s and 1980s, the state incorporated many aspects of the post-war “social peace” and “consensus model.” These aspects were adopted as a result of specific social and political struggles and because of the willingness of ruling layers to compromise in a context of strong economic growth and Cold War pressures.

This was actually an exceptional period and we are now returning to “business as usual” as far as the history of capitalism is concerned. The state is reverting back to its “lean and mean” role, a tool to be wielded exclusively in the interests of big business, the banks, and the wealthiest layers of the population.

In addition to the usual policing and repression of labor and social movements, the “globalized” 1990s demand state guarantees for the free flow of capital and trade, rigid controls over migration flows, and the greatest possible material, diplomatic, and military support for the country’s capitalists as they go gallivanting through international markets.

There are also new moves to broaden state surveillance of the population, such as the November 16 decree in France authorizing the national police to keep a special file on “potential victims of terrorism” and their friends and relatives, listing political, philosophical, and religious beliefs, and trade union affiliation if any.¹⁴

If all these objectives require reducing even the limited democratic space offered by parliamentary democracy, then so be it. The Juppe government, for example, used a little known article of the Constitution to push the social security reform package through a National Assembly (parliament) in which, in any event, the Right holds over 80 percent of seats.

With such bulldozer tactics, it should come as no surprise that protestors rejected the element of the Juppe Plan placing funds collected from workers and employers for social security under parliamentary (state) control. Up until now, social security funds were jointly managed by workers and employers; before a presidential decree by De Gaulle in 1967, they were controlled almost exclusively by union representatives. The new legislation changes all this. So much for the “dismantling” of the state.

What riled the protesting and striking workers most was the government and right-wing media’s portrayal of them as the “privileged layers” of society, out to selfishly defend themselves and nothing and no one else. The government had gone so far as to slap the “privileged” label even on those

receiving unemployment benefits. Working people were indignant that Prime Minister Juppe—recently caught in a corruption scandal involving the granting of a well-appointed municipal government-owned apartment in Paris rent-free to his son—should be calling them “privileged.” But it became clear that the “privileged layers” of the public sector work force had the support of the majority of the population, even three weeks into a rail and transport strike that caused enormous inconveniences. This was called “une greve par procuration” (“a strike by proxy”) in which those who did not strike joined the revolt by supporting the action of those who did.

The majority supported the strike because they understood that if public sector jobs and old bastions of the working-class movement, such as the railways, were not protected from layoffs, salary freezes, and declining pensions, then nothing was. They understood that the cuts to and privatization of healthcare and other public services (transport, education, post, electricity, telephones) would affect all workers and the poorer regions of the country. Why did they not strike *en masse*? They feared retribution from their private sector employers—they feared becoming yet another unemployment statistic. What’s more, many of the union strongholds in the private sector—steel, coal, auto—were destroyed during the capitalist “restructuring” of the 1980s, giving private sector workers even less leverage than before.

The private sector didn’t strike *en masse*, but supported the strikers in ways that they could. They found alternative ways to get to work, for example. Paris was full of bicyclists, hitch-hikers, rollerbladers, pedestrians, and carpoolers. One of the “surprising” features of this movement was how good-natured the citizenry was about it.

There were numerous examples of how people were making that extra effort to help out, to remain cool and content in the face of adversity, and supportive of the strikers. The city was taken by a wave of new-found camaraderie and joviality. A pleasantly surprised janitor of African origin who had to hitch-hike from a distant Paris suburb to work in the city center was quoted as saying, “People are friendly in the

streets; they respond kindly when I tell them the route I have to take. Since the beginning of the strike, I haven't come across a single racist."

A sociologist commented,

These forms of sociability reveal a strong desire to break out of one's solitude, and reflect an infinite need for love and tenderness. In 1968, people were struggling against alienation at work, the prevailing moral order, and the conventional character of family relations. Today, people are looking for a moment of relief from the fierce competition between people, from the stress of losing one's job and not being the best.¹⁵

Another noted how

people are surprised to find themselves expressing a spontaneous solidarity in the streets, and are reminded that they belong to a social entity whose only objective is not the production and consumption of merchandise. This is why their outlook has already changed. . . .¹⁶

Another way private sector workers showed their support was by attending the huge demonstrations organized across the country. On one day more than 2 million people took to the streets across the country, and it is estimated that almost half were not public sector workers. There were six such days of nationwide protest, each one as big or bigger than the previous one. In some cases, when the protests took place on working days, private sector workers would suddenly stop work in "debrayages" to leave their workplaces and join the big street demonstrations. The high turnout was even more impressive given the lack of public transport and huge traffic jams.

Many strikers took concrete measures to develop solidarity during the strike. In Paris, at night one could see striking bus drivers taking buses out into the streets to pick up homeless people with no way to get to shelters. Banners on the buses read, "Bus drivers in solidarity with the most dispossessed layers of the population." In the provinces, electricity workers occupied their plants—delivering power to residential customers all day at the low night-time rate, and free power to charitable organizations. Railworkers—the real heroes of

the movement—would go to other workplaces to put their case to other workers, and encourage them to join the protest. After the protests forced the government to freeze its plan to “rationalize” the rail network and cut back the pension plan, most continued the strike on the understanding that they had been placed at the head of a movement that involved issues much broader than their own.

The government tried to organize “transport users” committees to build protests against the rail strike, but this was a pathetic failure. The few hundreds who turned out were obviously part of a rightist fringe driven more by a general hatred of unions and the Left than anything else. There was reason to wonder if those who turned out even used the subway and commuter trains in the first place.¹⁷

Of course, the strike movement didn’t come out of nowhere. There were precursors in the weeks leading up to it. First, there was the massive national strike and demonstration of public sector workers on October 10 against a legislated wage freeze. Early October also saw the beginnings of what would turn into a huge nation-wide student strike movement against classroom and library overcrowding, inadequate facilities, poor building maintenance and security, and the lack of job opportunities for graduates.

Starting from the city of Rouen in Normandy, the movement spread to other cities—La Rochelle, Toulouse, Metz, Pau, Perpignan, Orleans, Tours, Montpellier, Nice, and Paris. Underfunding was making the new school year unbearable. At the peak of the movement, some sixty campuses were on strike, occupied, and organizing protests.

Students put forth specific demands for emergency funds and hiring of teaching and maintenance staff. They held general assemblies on campus that decided the course the movement was to follow, organized the practical tasks, and elected delegates to participate in the national student coordination. In some general assemblies, such as in the southwestern city of Toulouse, as many as two thousand students would attend daily.

On some campuses, administration buildings were occupied and the university president held hostage. Rotating street demonstrations were organized, at times late at night in keeping with the round-the-clock and quasi-euphoric character of the movement. In some cases, such as in the southern city of Montpellier, there was streetfighting and exchanges of tear gas and rocks between police and students.

This generalized student and youth anger was already seen in early 1994. Teenagers and twentysomethings have been told all along that a good education is the way to guarantee a secure future in the "new economy," and so they have flooded into the post-secondary system. Now, however, students find themselves trying to stay in university as long as possible precisely in order to avoid entering a job market that offers no hope. One banner at student demonstrations beckoned other students to "Take to the streets, before they throw us into them!"

A specific demand was put forward for the public takeover of the brand new, high-tuition Leonard-de-Vinci private university built with public funds for children of upper-income families. This demand came especially from among the thirty-five thousand students at the neighboring University of Paris-Nanterre, birthplace of the May '68 movement. They could only look in awe at the spacious, high-tech facilities built for the few hundred students registered there.¹⁸ Differences in funding and facilities among theoretically equal public universities were also the focus of student protest. As were discriminatory measures against foreign students, who pay the same fees and enjoy the same rights as French students, but who have been the target of a series of recent government reforms.¹⁹ Once the workers' strikes began in late November, many cities saw joint worker-student demonstrations. The government realized it had to defuse any possibility of the ongoing student agitation coinciding with growing labor strife. It could prove explosive. On November 9 and 23, the government had already announced some additional spending and hiring, but this proved inadequate. On December 3, the government announced a much more comprehensive

plan, although it fell short of student demands. After two months of struggle, with students growing weary and concerned about their academic year, the movement effectively concluded on this semi-victorious note.²⁰

The upsurge in protest also saw a breakthrough in the women's movement, long dormant in France. Forty thousand people took to the streets on November 25 in a demonstration planned since June. The focus of anger was primarily the growing number of attacks on abortion clinics by groups with links to the neo-fascist Front National and far-right sectors in the Catholic Church. Worse, those previously involved in attacks on clinics had been given an amnesty by the right-wing majority government; and there have been moves towards cutting government funding for abortions.²¹ Many women were also angered when seven of eleven women ministers were removed in the Juppe government shuffle in early November. Even though these ministers were very right-wing and scarcely feminist, the move served to underline the meager presence of women in governing bodies.

The effervescence of "December '95" brought forth those groups that have been patiently organizing and developing alternatives to confront the effects of government policy and the economic crisis. One such group, simply called "AC!" (the French initials for "Act against unemployment!"), brings together activists from the trade union movement, unemployed and under-employed workers groups, housing rights, human rights, anti-racist, immigrants' rights, pacifist, and ecology groups, the left-wing student unions, and progressive economists and sociologists.

AC! was very present at the street demonstrations and—along with squatters from an abandoned building in the city center of Paris—led an occupation of the Georges Pompidou Center for the Arts. They demanded a space for the "duration of the present social movement . . . to make the links and start a dialogue between strikers, students, and excluded sectors of the population."²² They won their demand and, right in the main lobby area, set up the "Forum des Sans" (literally, "Forum of those without"), for those without jobs, without

housing, without work and immigration papers, without social security, and without funds. AC! also presented its economic alternatives.²³

According to official figures, over the last twenty years the total number of hours worked in France has dropped 11 percent, while total wealth created has grown 52 percent. In other words, thanks to technological advances and increased skill levels, society as a whole works fewer hours to create a lot more wealth. Yet, the population's purchasing power has actually dropped, there's galloping unemployment, and those with jobs are actually having to work harder and more hours. So where did all that extra wealth created by working people go? Very simply: increased profits and increased revenue for the richest layers of the population. In France today, the richest 10 percent of households hold 54 percent of the country's wealth, while the poorest 50 percent hold only 6 percent.

Between 1983 and 1995, the share of wages in total wealth produced in France dropped from 68.7 percent to 58.7 percent. The number of people subject to the fortune tax (assets of about one million Canadian dollars or more) shot up 68.4 percent between 1985 and 1991, to a little under one hundred sixty-one thousand. On their total assets of some \$6,600 billion, they pay only \$2.2 billion in annual taxes. Six-hundred and twenty of these one hundred sixty-one thousand people have assets of more than \$25 million. Liliane Bettencourt of the L'Oreal cosmetics empire is on top with 7.1 billion dollars.²⁴ This concentration of wealth has not led to job creation, and is derived primarily from monetary speculation, stock options, and the like. Nor has the long series of working-class wage freezes. Nor have the cuts and tax exemptions for the rich and the corporations.

Instead, more money is floating around looking for quick profits on "the markets" and to finance mergers and takeovers that usually lead to more unemployment and higher costs for consumers. Further, the government could have obtained the revenue it needs from taxes on the rich and big business and through revenue-generation from employment

and mass consumption. Instead it has borrowed back this money from the wealthy at historically high interest rates—a vicious cycle that has sent public debt spiralling.

Based on this state of affairs, AC! puts forward solutions revolving around the need to shorten the work week—with parallel hiring and without any reduction in pay for workers. They cite government and academic studies showing that a rapid, global reduction of the work week to thirty-five hours would create between 1.2 and 2.3 million full-time, secure jobs.

These measures would have to be financed, they say, by a radical revamping of the tax system, controls on speculation and capital flows—and accompanied by a radical democratization of society giving working people, consumers, and communities control over working conditions and the quality and nature of public services, and over how companies and governments use their resources.

Finally, AC! spoke of the need to organize a broad social mobilization and to develop solidarity across Europe in order to enforce this kind of agenda. In the area of economic policy, the rail strike squarely posed the question of how one of the key components of the economy—transport—should be organized.

The business press decried the “huge subsidies” offered to the rail service, but these are linked primarily to major high-tech infrastructural investments (such as the high-speed TGV train) decided on by the government, not by workers and public transport users. Why should they be the ones to pay through lower wages, job losses, higher ticket prices, and closed routes?

Since France needs a good transport system, what is the alternative to rail? Road transport? Yet it is more inefficient and requires huge government subsidies, in the form of highway construction, maintenance, and policing. Not to mention all the incalculable costs of pollution, noise, accidents, stress, and so on. To top it off, the French government recently gave a more than \$1,000 subsidy to anyone buying a car. So much for the “competitive auto sector” so often praised

in the business press.²⁵ “Competitive” means profitable for private owners, and nothing else.

The protest movement also saw the re-emergence of a left intelligentsia, thrown asunder by years of right-leaning Socialist Party governments and 1980s defections to the New Right. Among other things, they tackled the scandalous abuse of terms such as “reform,” “conservative,” “modern,” “archaic,” and “corporatist.” According to the Right and the self-proclaimed “modern Left,” it is “archaic” and “conservative” to defend social and democratic rights won over the last fifty years and highly “modern” and “reform-minded” to strip these down to 19th century levels. Similarly, the Right says it is “corporatist” when a trade union and its members defend their workplace and social rights and link up with others doing the same. At the same time, the odd union leader that goes against their membership and supports big business and the government is called “socially responsible.” Wealthy individuals and financial groups making millions off of wild and destructive speculation are behaving “rationally” whereas workers seeking a decent wage and a dignified retirement are “selfishly” defending their “privileges.” It is “modern” to make people with jobs work longer hours, at a faster pace, and for more years before retirement, while unemployment skyrockets. It is “modern” to let apartments owned by speculating banks and trusts lie empty while tens of thousands go homeless. And so on and so on. Many of the left intellectuals that supported the strikers were actually quite young, and this points to another accomplishment of the protest movement—that of the generational renewal of protest and critical thinking in the country. Young workers hired in the mid to late-1980s came to the fore, providing relief to the 1960s and 1970s generation of worker activists whose presence and experience was also felt throughout the movement. Not to mention the entry of thousands upon thousands of high school and university students into political life, a process that had begun in early 1994 in the protest movement against the introduction of a lower minimum wage for youth and new graduates. Both 1994 and 1995 saw demonstrations of solidar-

ity between generations, with protestors rejecting measures seen as a way for employers to replace older workers with younger ones receiving lower wages and less job security.

Of course, the December movement was not perfect. For all its militancy and dynamism, it could not make up in such a short time for the organizational and political weakness of the French Left and trade union movement. The strike never spread to the private sector, in spite of some signs this might occur. The main reasons, of course, are those already listed: fear, demoralization, lack of organization. Trade union and Left leaders, however, must assume their responsibility in this regard.

For vulnerable private sector workers to come out on strike, they needed a clear signal from union and political leaders that the movement would clearly address their concerns and provide a solid line of defense against employer retribution. Yet at no time did the trade union leaders set up a national strike committee to coordinate the movement. At no time did they meet or issue a call for a general strike. Even union leaderships organized within the same sectors never formed a national leadership. This flew in the face of the strong desire for unity and a broadening of the movement observed among rank and file workers at every demonstration and in numerous media reports. It also ignored the growing calls at demonstrations for Juppe to resign.

The traditional political leaderships of the left fared even worse. The *Parti Socialiste* (PS) was all over the map when the Prime Minister announced his reforms in mid-November, with some embracing Juppe's "courage" and others striking a more critical posture. But when the movement began, it took a long time for the party leadership (in the person of defeated presidential candidate Lionel Jospin) to support it and only meekly at that. One writer commented sarcastically that the class struggle has such bad manners to not wait for the PS to conclude the six-month period it had scheduled to draw up its new program for the country.²⁶

The PS was above all at pains to stress that the movement wasn't political, only social, and that the government's exis-

tence as such was not being challenged. This did not change even after eight by-elections held in early December produced five PS victories, confirming a willingness to support the Left against the government even in one traditional right-wing rural stronghold.²⁷ After more than a decade of implementing a right-leaning economic policy themselves, the PS must have felt that it was neither willing nor able to do much different from what Juppe was proposing.

As for the *Parti Communiste* (PCF), its members and local bodies played a decisive role in building the movement. Despite the party's electoral decline over the last twenty years, it clearly still maintains a strong presence among workers and in working-class communities. As with the PS, however, the leadership maintained a very low profile and insisted on the "social" (as opposed to political) nature of the movement. At no time did the PCF put forth the demand to dissolve the government and organize new elections. The PCF was probably calculating that the PS would benefit most from any politicization of the crisis.²⁸ These failings only serve to underline the political and organizational disarray of the French Left resulting from the economic crisis, more than a decade of PS rule, and the collapse of the Eastern Bloc countries. These factors are also what make December '95 very different from May '68.

On the one hand, there is an impressive willingness to fight back among broad layers of the French population. On the other, there is no credible mass organizational force both willing and able to steer a path towards the defeat of the government and a radical change in economic and social policy in the midst of a deep economic crisis. This is the great dilemma and the great challenge faced by critical-minded forces in France today. French society is in crisis, and there is a "race" of sorts on to see who this crisis will benefit. If the political and organizational crisis of the Left continues into the medium and long-term, so will social and economic deterioration in the country.

Or things could get even worse. While the neo-fascists of the *Front National* have been marginalized for the time

being, they scored their highest ever result in last May's presidential elections. Indeed, they are certainly prepared—in alliance with certain sectors of the current government—to offer their own “radical” solutions in response to growing discontent and frustration among workers and the poor. Their influence can already be seen in a number of government policies.²⁹ The entry in December of millions of thinking people into the political arena—in defense of their basic material, social, and spiritual needs—is merely the first step on a necessarily long road of rebellion and renewal. This kind of mass activity is the only source of hope in these unhappy, hard-hearted, and intolerant times. “This movement reminds us that there is an above and a below; elites and a base. As such, it retards the process of racialization of French society desired by the *Front National*.”³⁰

The protest movement will put wind in the sails of critical left forces in the trade union and social movements, whose presence was felt throughout the month of protest. More generally, trade union organizing and social activism have been given a big and much-needed boost in prestige and credibility. For the moment at least, a working-class hero has once again become “something to be.”

For now, the government has been forced to suspend the restructuring plan for the railways and withdraw the changes to public sector pension plans. The president of the state-owned railway network was dismissed and replaced with someone seen as more in step with the workers' concerns. A plan to overhaul the taxation system to further benefit high-income categories will also be postponed.

The government called a “social summit” with union leaders for December 21 to discuss employment questions. The summit's results were inconclusive, to say the least.³¹ While it managed to push through its social security reforms, the government has been dealt a partial defeat. Projections released at the New Year revealed a worsening employment situation, with low levels of growth not leading to new hiring. Unemployment will rise again in 1996. There is every reason to expect further conflict in the coming months.

France is at a crossroads, and the neo-liberal European Union project has never faced such an uncertain future.

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WHAT KIND OF CAPITALISM? THE REVIVAL OF CLASS STRUGGLE IN CANADA

by Robert Chernomas and Errol Black

At the end of 1995, Gordon Wilson, president of the Ontario Federation of Labor, promised an intensification of class conflict in Canada's industrial heartland:

In 1996 . . . the business community is going to discover that it cannot rip up the social fabric and expect the kind of harmony in the workplace that has evolved over the past 10 years.

It will be the year when confrontation replaces cooperation and partnership is replaced by protest. There is a price to be paid for the Ontario business community's adventure into the realm of political extremism. It will be measured in lost work time, lost production and lost profits, and it will be paid until this brutal agenda that debases human dignity is a thing of the past.¹

Paradoxically, the promised challenge to capital and the state, if it materializes, will be inspired not by a desire to transform Canadian society, but rather to stop its transformation—from a form of social or communitarian capitalism to a miniature replica of the U.S. form of individualistic capitalism.

Communitarian capitalist countries and their capitalist classes evolved their vision in part out of the need to compete with the dominant United States after the Second World War. In each case there is a locus of power, often the state in

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combination with the forward thinking members of the business community. Typically, the state in these countries regulates mergers, capital for research, and the allocation of resources. It also encourages consortiums for investment, joint research, standardization, technological innovation, and training. In this way, longer-term planning is favored over short-run profit maximization.

In the best of communitarian capitalist countries, business activities detrimental to society are likely to be regulated. Taxes, licensing, demand, subsidies, grants, access to financial resources, regulation of capital flight and mergers are all tools the state may use to condition capitalist property rights when they are seen to be in conflict with a broader interest. When business activities promote economic improvement and social advancement, these same tools are used to reward firms.

As well, the communitarian approach places responsibility on the collective shoulders of society for the basics of health, education, and the social well-being of its people while developing policies and strategies that enable individuals to advance themselves more readily. Thus, labor productivity is viewed as an institutional problem rather than an individual or an "attitude" problem. Unemployment is a reason for retraining and relocation by the state or the firm. Workers' participation in design and decision-making is often encouraged, both as a means of increasing productivity and co-opting labor. Unions often play a central role in this latter process, in their traditional role as the guardian of worker rights and material interests, as a school for learning democratic principles and practices, and as an agent for collective decision-making. Moreover, in the most advanced communitarian societies, unions play the sometimes major role of partner in the determination of state policies with respect to fiscal matters, labor-market regulation, and social welfare programs, thereby serving as a guardian of community interests.

In the immediate post-1945 era, despite its close ties to the United States through direct investment by U.S. based firms in key sectors of the economy and through trade, Canada succeeded in constructing a set of institutional arrangements

patterned on the West European model (the models of Germany, Sweden, and the pre-Thatcher United Kingdom) that distinguished Canada from the United States. These included a comprehensive social safety net, a major role for the state in the economy, and a robust and progressive trade union movement. As well, Canada had a dynamic, albeit minority, social democratic party—the C.C.F./N.D.P., which promoted both an expanded welfare state and a leadership role for the state in the economy. Canada's particular version of social capitalism was supported by labor and tolerated by capital, because it simultaneously generated a rising standard of living for the bulk of the working class and promoted capital accumulation.

The Advent of Economic Crisis

Conditions changed dramatically in the early 1970s with the onset of economic stagnation, escalating inflation, and growing social unrest. The Liberal government in Ottawa initially blamed external developments for the problems and attempted to ride things out. By 1975, however, it was evident that this strategy was not working, and the government looked to monetarism and a three-year regime of generalized wage and price controls to restore order in the economy and society.

Wage controls succeeded in bringing down the rate of increase in money wages and increasing profits, but they also engendered widespread hostility and opposition from labor. Consequently, the government opted to rely on a version of “hard” monetarism (based on the assumption that the unemployment rate must be maintained above 8 percent)—augmented by public-sector specific wage controls—to check the power of trade unions and curb inflationary pressures.

Monetarism was an unmitigated disaster. Short-term interest rates were pushed above 18 percent in 1981, which in turn plunged the economy into deep recession in 1982. Real GDP declined by 3.2 percent, and the unemployment rate jumped from 7.6 percent in 1981 to 11.9 percent in 1983. As well, government deficits climbed from 1.5 percent of GDP in

1981 to 6.9 percent in 1983, fuelling growth in the public-sector debt and accentuating an emerging fiscal crisis.²

Neoconservatism Comes to Canada

In the aftermath of the recession, a federal Tory government, led by Brian Mulroney, was elected in 1984 on a platform of job creation and the preservation of social programs. Shortly after taking office, the new government issued an "Agenda for Change," which called for deficit reduction to deal with the fiscal crisis and greater reliance on markets and individual initiatives to generate economic growth. This document signaled the arrival of neoconservative ideology and policies in Canada. Subsequently, the Tory government, by now clearly a captive of Bay Street and the Business Council on National Issues—which represents the class interests of big business—launched a series of initiatives aimed at remaking Canadian capitalism in the image of Reagan's United States and Thatcher's Britain: "less government . . . deregulation and privatization, incentives for the rich and powerful, cutbacks for everyone else."³

Key industries such as transportation, communications, and finance were deregulated; crown corporations, including Air Canada, were privatized; many public-sector activities were commercialized; taxes were cut for business and the rich; expenditures were restructured to create incentives and reduce outlays on social welfare programs; and universal social programs were replaced by selective programs.

Moreover, under the guise of securing access to continental markets for Canadian firms, the government negotiated trade deals, first with the United States (the FTA, which took effect January 1, 1989) and then with the United States and Mexico (the NAFTA, which took effect January 1, 1994).

In the 1988 federal election, the FTA was the central issue. The two main opposition parties (the NDP and Liberal) and a coalition of popular groups and labor organizations (the Action Canada Network) opposed the deal, charging it was a trojan horse that would result in the integration of

Canada more fully into the U.S. economy, force the harmonization of social welfare programs, taxes, and labor market policies with those in the United States, and erode Canada's economic independence. The Tory party and its business allies dismissed this as scaremongering and countered with a massive campaign designed to terrorize workers into believing that failure to accept the deal would result in job losses and a deterioration in the standard of living. After the votes were counted, the Tories were back for a second term, and the FTA secured. It is important to note also that in conjunction with these measures, the Tory government eliminated many of the restrictions on capitalist property rights. Among other measures, controls over foreign investment were diluted and the Bank of Canada actively sold federal government bonds in international markets, a development that undermined the state's capacity to manage the domestic economy.

In its second term, the Tory government continued to hack away at social programs. It also launched two major new initiatives, namely, negotiations with the United States and Mexico on a three-country free trade deal and constitutional reform. The former initiative culminated in the NAFTA. Constitutional reform, on the other hand, which was designed both to achieve an accommodation with Quebec and to entrench within the constitution elements of the neoconservative agenda, collapsed, not once but twice, the first time (the Meech Lake Accord) in the Manitoba legislature, the second time (the Charlottetown Accord) in a national referendum.

Against this backdrop, a sustained economic expansion that had started in 1983 came to an abrupt halt in 1990 when the economy plunged into another deep and protracted recession, which was global in scope but was exacerbated in Canada by the policies of the Bank of Canada. The unemployment rate shot up from 7.5 percent in 1989 to 11.2 percent in 1992, and the fiscal crisis worsened, as government deficits jumped from 2.9 percent of GDP in 1989 to 7.1 percent in 1992.⁴

By 1993, given the constitutional fiascos and the state of the economy, the electorate was eager to turf the Tory party

from office. The Tory legacy would be more difficult to dispatch. Indeed, the cumulative impact of Tory economic and social policies was so pervasive and profound that big business could boast openly that it wouldn't matter which party was elected to government in Ottawa, because Canada was now locked into an irreversible trajectory set by the Tory government—a trajectory, in brief, that would culminate in the obliteration of Canada's version of communitarian capitalism and its replacement by the rhetoric, values, and institutions of individualistic capitalism.

Moreover, the conditions that emerged in 1990s contributed to a major realignment of political forces in Canada. In western Canada, disaffected Tories flocked to the Reform Party (a right-wing populist party, which derives its inspiration from the Newt Gingrich-wing of the Republican party), while in Quebec the Bloc Quebecois, a separatist party, emerged as the dominant federalist party. Support for the NDP, which traditionally stood at between 15 and 20 percent, fell to 6 percent for a number of reasons, not least of which was the party's utter failure to develop a coherent critique of and an alternative to the neoconservative agenda.

"Liberals, Tories, Same Old Story"

In the November 1993 election, the Liberal party won a large majority on the basis of promises to renegotiate or scrap the NAFTA, protect social welfare programs, introduce job-creation programs and reform monetary policy. The Bloc Quebecois became the official opposition, with one more seat than the Reform party. The Tory party was reduced to two seats, the NDP to a rump of nine seats, an insufficient number to warrant official party status.

Shortly after the election, it became evident that neoconservatism was alive and well in the cabinet of the Liberal government; it would be "business as usual." The NAFTA was signed, with some cosmetic changes to wording but no changes in substance. The Governor of the Bank of Canada was changed from Crow to Thiessen, but the content

and objectives of monetary policy remained essentially intact. The promised job-creation program—the infrastructure program—was introduced, but on such a small scale that its impact on jobs and incomes was imperceptible. Moreover, after a status quo budget in 1994, the Minister of Finance, Paul Martin Jr., announced in 1995 that his government intended to reduce the deficit sharply and quickly by slashing social-welfare programs and by eliminating forty-five thousand jobs in the federal civil service.

The deepest cuts occurred in unemployment insurance and cash transfers to the provinces for Medicare, social assistance, and post-secondary education. Cuts to unemployment insurance were not only intended to save money, but also to deregulate and intensify competition in the labor market by impoverishing a significant proportion of the unemployed workforce. As a result of these cuts, the proportion of unemployed workers eligible for benefits was cut from about 70 percent in the early 1980s to 40 percent.

Cuts to cash transfers were similarly ominous. In effect, the federal government handed the provinces a *carte blanche* to undermine and dismantle major programs that have contributed significantly to the welfare of all Canadians. The result will be a balkanization of vital social services and a return to the conditions that existed in the 1950s.

From Neoconservatism to Neocretinism

Similar assaults on the working class are taking place in the provinces. This is especially true of Alberta, under a Tory government led by Ralph Klein, and of Ontario, where the electorate recently replaced the NDP with a right-wing Tory government led by Mike Harris.

Klein set the pattern for slashing the public sector by instituting major cuts to welfare and 20 percent reductions in spending on health care and universities, privatizing services (including liquor sales), converting welfare to workfare, and subverting Medicare by endorsing user-pay, for-profit clinics.

More recently, Mr. Klein and his cabinet colleagues have adopted U.S. style “reforms” in the prison system and are now talking about Alabama chain gangs. As well, Klein is flirting with the idea of making Alberta Canada’s first “right-to-work” province.

The Tory government in Ontario was elected in June 1995 on a New Jersey inspired platform of “reforming” welfare, repealing progressive labor legislation, slashing the provincial deficit, and reducing personal income taxes by 30 percent. Since taking office, this government has: cut welfare payments and instituted a form of workfare; amended labor legislation not only to obliterate all the reforms initiated by the previous NDP government such as pay equity and anti-scab legislation, but also to make it more difficult for workers to achieve and retain trade union and collective bargaining rights; and, in the last week of November, announced \$6 billion in expenditure cuts, which will affect all social welfare programs in the province and lead to the privatization/commercialization of many services and increases in user fees and property taxes.⁵

Much of what is being done in the name of “fiscal responsibility” verges on the neofascist. This is especially evident in Alberta and Ontario, but it is also present in other provinces, including our own province, Manitoba. Thus the weak and the vulnerable—welfare recipients—are the initial victims of budget cuts and increased harassment. Subsequently, the focus is shifted to trade unions and other organizations that promote and defend the interests of working people. There is a systematic strategy, which includes in Ontario and Alberta a concentration of power in the cabinet, to curtail public-sector programs that enhance the material conditions of working people in general. The overall objective of this strategy is, in brief, to weaken unions and individual workers in their relations with employers for the purpose of driving down wages and compelling workers to submit to employer discipline at the point of production.

Signs of Resistance

Unquestionably the combination of high unemployment (an average rate of 9.7 percent from 1980 to 1994), regressive legislation, and neoconservative propaganda has demoralized working people and pummelled trade unions into inertia. Since 1990, person days lost in strikes have fallen continuously, from 5.2 million in 1990 to 1.6 million in 1994. This decline in militancy is reflected in a similarly persistent decline in negotiated wage changes, from 5.6 percent in 1990 to .3 percent in 1994. A similar pattern is evident for big unions. Thus, the number of strikes involving 500 or more workers declined from sixty-six in 1990 to twenty-nine in 1994, person days lost, from 226,263 to 55,013.⁶

As Gordon Wilson's statement indicates, however, conditions are emerging that have the potential to shift the terrain of discourse and struggle. First, there is a growing sense that monetarism and neoconservative policies will not overcome the problem of economic stagnation. Certainly, the profitability and power of monopoly capital will be enhanced (indeed, the Canadian government is leading the way in consultations with transnational capital on how nation states can better accommodate themselves to "globalization"). But the strengthening of monopoly capital and the downsizing of the public sector are unlikely, in the absence of significant qualitative changes in relations between the state and big capital, to resolve the underlying problems. Consumer spending is moribund, a result of high interest rates, continued insecurity about employment, and declining real incomes. Government cuts in services and employment are contractional and will have an adverse impact on the markets for private-sector goods and services. Given these conditions, investment spending is unlikely to achieve the rate and volume necessary to give a major impetus to the economy. The one component of demand that has been robust is the export sector, in particular, exports to the United States, which now account for 80 percent of all Canadian exports. However, the idea, which is

apparently endorsed by key people in government and business, that growth in exports will resolve the crisis in the Canadian economy is not just myopic, but absurd. Second, the political situation in Canada is unstable. The Parti Quebecois narrowly lost a referendum on separation in October (by less than 1 percent) but separatist sentiments remain strong and there is talk of another referendum in a couple of years. At the same time, other provinces are demanding increased powers and a further retreat of the federal government from the market. This has created something of a "Catch 22" for the federal government, because efforts to placate Quebec that result in significantly diminished powers for Ottawa are likely to alienate and antagonize progressive Liberals, a development that could fracture the government.

Third, since the Second World War the CCF/NDP has provided a vent for left-wing dissatisfaction. However, with electoral support stuck at about 6 percent, and the party denied a voice in the House of Commons, this vent is now gone. Opponents of state policies and the neoconservative agenda must, therefore, mount their challenges at the point of production and in the streets.

Historically, Canada's trade union movement and its working class have demonstrated great resiliency in the face of hostility from the state and business. There are encouraging signs that this resiliency is about to manifest itself again as trade unions and working people begin to question how much they should be prepared to give up in wages and social benefits to accommodate the demands of big and small capital.

In October, the University of Manitoba Faculty Association went on strike in defence of academic freedom, public accountability, and student accessibility. The Manitoba government and the University administration expected the strike to collapse. It didn't and eventually the militancy and solidarity demonstrated by striking faculty members forced the dispute to mediation and produced a resolution favorable to the union.

In November, a small group of 120 laundry workers in a Calgary, Alberta hospital spontaneously walked off the job

in an illegal strike to protest the contracting out of their jobs. The strike quickly spread to other workers and other hospitals in Calgary and threatened to affect hospitals in Edmonton. In the face of this growing unrest, the Klein government abandoned plans for further cuts to health care and contracting out was put on hold.

On December 11, labor leaders and activists in Ontario began a series of one day strikes in London, Ontario as the first step in a campaign to mobilize opposition to the Harris government and its plan to wreck the public sector. According to *The London Free Press* (12 December 1995) ten thousand workers joined the protest, including both private (auto workers, brewery workers, etc.) and public sector workers.

These developments are, of course, a long way from the situation in France. But they are beginnings—beginnings, moreover, with the potential to mobilize the left and working people in Canada behind a counteroffensive to challenge the state and capital and roll back neoconservatism. The encouraging thing about the strategy in Ontario is that it is based on a recognition that both capital and the state are collaborating in a campaign to weaken labor and reduce the standard of living of working people, and that the only way to derail this agenda is through solidarity and direct action that disrupts production and creates instability. Attenuation of capitalist property rights in the interest of economic security and democracy are in retreat in the current crisis. Globalization, free trade, and deficit mania are means by which capital attempts to extract itself from constraints on its capacity to accumulate and legitimate. Communitarian capitalism may be a worthwhile intermediate goal to stem this tide, but it was not enough to prevent economic and social decline.

The question is: does labor have a vision that goes beyond merely stopping the assault on the institutions of social capitalism? Or to put it another way, if the counteroffensive is successful, what then? The economic crisis will remain. It must be dealt with. Therefore, labor must construct an alternative to neoconservatism that goes beyond merely salvaging what is left of Canada's version of communitarian

capitalism, an alternative that defines new institutional arrangements for the restructuring of Canada's economy and Canadian society in the interests of working people. As well, this alternative must clarify labor's relationship with the NDP and include a strategy for gaining state power. In the absence of such a vision, we fear labor's planned assault on the state and capital will come to naught.

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Images of American Radicalism

by Paul Buhle and Edmund Sullivan

"In future years,

this book will be used and treasured by scholars, not only in America but the world over. It is not simply another book on American radicalism; it is, as far as I am concerned, the best and most open-minded study of the subject that exists . . . "

from the Preface by Howard Fast

Among those pictured:

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ORIGINS OF THE COLD WAR: NEW EVIDENCE

by Patrick Flaherty

Conservative Western historians have been hustling to the press with scoops drawing upon privileged, selective, and purchased access to the archives and spymasters of the former Soviet Union. Not surprisingly, the greatest notoriety has gone to “smoking guns” that purportedly corroborate the basic cold war dogma of the U.S. right, particularly the McCarthyite spymania. But there is other recently available material from the Eastern archives given little or no attention. These documents call into question a fundamental premise of the Official American History of the second half of the twentieth century: Soviet responsibility for the origins of the Cold War.

Two decades ago, the apportioning of responsibility for the outbreak of the Cold War was an objective pursued avidly by participants in a fierce academic debate set against the backdrop of the Vietnam war. On one side were “orthodox” scholars who painted a picture of an ideologically preprogrammed expansion of the Stalinist state bent on sovietizing the world at any price. In the other corner were the “revisionists” pointing an accusing finger at the imperialist designs of the United States. By the end of the 1970s, the debate had run itself into the ground in the absence of available documentation on the Soviet side. The controversy would finally be stilled by the suppression of debate during the Reagan era.

Patrick Flaherty wrote his masters' thesis (Tufts University, 1978) on postwar Soviet foreign policy and the origins of the Cold War.

The opening of the Soviet and East European archives has provided us with some answers to this puzzle that are at least as definitive as the record indicating the involvement of some U.S. Communist party members in espionage. The lack of attention paid by establishment scholars amounts to a tacit admission that confidential Soviet and East European documents uphold the crux of the revisionist thesis. In fact, Stalin and the Soviet leadership did not want the Cold War and were prepared to go to considerable lengths to avoid it, including throttling any revolutionary impulse in the non-Soviet Communist parties. Almost all of the newly available data lies scattered and untranslated in specialized journals and books. But there are a few noteworthy disclosures that deserve a far broader audience than they have received so far.

The Maiskii Memorandum

In January 1944, Ivan Maiskii drew up and submitted to Soviet Foreign Minister, Vyacheslav Molotov, broad guidelines for long term Soviet foreign policy objectives.¹ Only six months before, Maiskii had been promoted to deputy foreign minister and was a member of a working group set up within the Soviet government to map out geopolitical strategy in the postwar world. Maiskii was a smooth and skilled survivor able to tailor his work to the perceived mood and needs of his chief patrons. The recently declassified "Maiskii Memorandum" was no exception to a pattern of professional circumspection that enabled the longtime Soviet ambassador to London to escape the purges of the late 1930s.

In his Memorandum, Maiskii defined the paramount postwar foreign policy objective of the Soviet state to be the maintenance of a durable peace in Europe and Asia for at least the next thirty to fifty years or the "lifespan of two generations." The chief concern of the Soviet leadership was not world revolution, which Maiskii blithely wrote off as the "music of the future," but the far more practical aim of obtaining a *Peredyshka* or recuperative breathing space for a country bleeding from a thousand wounds. In maneuvering

diplomatically to buy time, Maiskii reckoned that no less than a decade would be needed for the Soviet Union to recover from the devastation inflicted by the Nazis. Along with this period of reconstruction, another two to four decades were required to enable the Soviet Union to “become so powerful that it need no longer fear any aggressor in Europe or Asia,” whether acting singly or in combination.

The Maiskii memorandum leaves no doubt that the Soviet state sought to barter its supreme contribution to the defeat of fascism for admission into a postwar global directorate as a conventional Great Power with generally recognized security concerns within its own sphere of influence. At one point, Maiskii noted that Great Britain was “especially interested in Greece” and urged the Soviet leadership to exercise “great caution” in its diplomatic dealings to avoid trespassing into the politics of a region ceded to British hegemony. Maiskii ruled out any unilateral treaties with Greece if London objected and suggested that Moscow rely entirely upon trilateral agreements negotiated between all three parties. For Maiskii, Greece was meant to serve as a model of diplomatic *quid pro quo* in which Soviet respect for British security concerns in the Mediterranean would be reciprocated by London in Eastern Europe.

The report also envisaged the postwar emergence of an “independent and viable Poland” as well as a “strong Czechoslovakia” that could serve as the most effective diplomatic ally of the Soviet Union in Europe. In a detailed breakdown by country, the Maiskii Memorandum confirms that there was no premeditated master plan for incorporating Eastern Europe into a Soviet bloc or establishing cadre dictatorships on its recently liberated strategic periphery. To ensure postwar stability, the preferred policy for both Germany and Nazi-occupied Europe was a “state-system based upon the principles of broad democracy in the spirit of the ideology of the Popular Front” of the mid-1930s.

Maiskii hoped that the end of the war would bring “the greatest possible spread of Soviet influence into China and the consolidation of the friendliest possible relations.” But he

argued that the course of events would ultimately hinge upon internal developments largely beyond Moscow's control, such as the emergence of "genuinely democratic progressive nationalist elements friendly to the USSR." In keeping with his negative view of global revolutionary change, Maiskii never broached the possibility of the complete victory of the forces of Mao Zedong over the Kuomintang. Instead he urged a defensive posture aimed at avoiding worst-case outcomes. Maiskii's greatest fear was that a government dominated by hostile nationalists would eventually be drawn into an anti-Soviet alliance by the United States. But the Stalinist diplomat discounted the immediacy of this danger by predicting that China would be left so shattered by the war that at least twenty years must pass before it could begin to pose a security threat to the Soviet Union.

Stalin badly wanted a durable peace to concentrate national energies on domestic reconstruction and development. In retrospect, the most surprising aspect of the document is the naiveté demonstrated by such a hard bitten bunch on matters of foreign trade. Anticipating a serious postwar crisis of over-production in the United States, Moscow placed great stock in the possibility that Washington and London, desperate for markets, could be cajoled into paying off in kind its "allied debt obligation" to the Soviet Union, which had borne the brunt of the war. Maiskii went so far as to envisage the allies entering into peacetime lend-lease arrangements lasting five to ten years, during which time the Soviet Union would be provided gratis with the machinery and technology essential to postwar reconstruction.

However much these hopes for a foreign aid bonanza were misplaced, Maiskii concluded that the Soviet Union had compelling strategic and economic reasons for preserving "good relations with the USA and England" after the war. The key to ensuring Soviet security and preserving the peace in Europe was said to be "keeping Germany harmless" for the next thirty to fifty years. This would require long term collective security arrangements and Maiskii advised that there were no unavoidable territorial or economic disputes between the

wartime allies that stood in the way of this mutually beneficial cooperation.

The fatal analytical flaw of the Maiskii memorandum was its gross underestimation of the extent to which the war had enabled the United States to emerge as the preeminent global power. Maiskii was well aware of the expansionist ambitions of Washington as a “dynamic imperialism” committed to penetrating the protected colonial markets of its European rivals through a wide range of self-serving “open door” stratagems. But the Soviet diplomat believed that U.S. imperialism still lacked the cadre and far-flung administrative framework available to Britain, a lack he believed would handicap Washington in postwar jockeying for a position in the new world order. Maiskii was confident that the Soviet Union could capitalize upon the simmering rivalry between a surging U.S. imperialism and a declining British empire to strike a stable postwar balance of power with Moscow as the swing player in a resumption of traditional sphere of influence or balance of power politics.

Stalin Against Sovietization

The Maiskii Memorandum was written in the wake of the Teheran Conference of November 1943 where the spirit of wartime accord between the leaders of the Big Three reached its height and led to expectations on all sides that this cooperation could be carried over into peacetime. The attempt of the Soviet government to translate the spirit of Teheran into practical action was immediately evident in the secret communiques exchanged between Moscow and the underground network of the Polish Workers’ (i.e., Communist) Party. In February 1944, Soviet messages were sent to Polish Communist resistance fighters complaining about a “sectarianism” in their political work that was needlessly alienating potential allies and narrowing the potential base of the anti-Nazi front.² The Soviet leadership was especially concerned that the radicalism of the Polish Communist underground was “conveying the false impression that the Polish

Workers' Party is pursuing a course towards the sovietization of Poland which it is in fact not doing and should not do." The leadership of the Polish Workers' Party noted this criticism and instructed its members in March to abandon the polarized thinking that "Poland can only be soviet or reactionary" with no possibility of an intermediate stage between the two. Only a few months later in July, Moscow was once again compelled to send another directive condemning the party's excessively radical agrarian strategy that raised the danger that "Poland will become a bone of contention between the Teheran powers." It is, of course, well known that Poland had been a "bone of contention between the Teheran powers" this whole time, but what has not been appreciated is the degree to which the Soviet side was exercising restraint.

After Teheran, the Soviet leadership began to view Eastern Europe in the traditional great power terms exemplified by Molotov's boast in August 1945 that "our sphere of influence has been recognized" by the wartime allies.³ Stalin's strategy towards Poland differed little from British policy towards Greece in its ruthless determination to ensure that a regime friendly to the regional hegemony came to power. But there is no evidence in the archival record to suggest that Stalin was intent upon exporting the Soviet model, and a great deal attesting that he opposed such an outcome.

In the recently published transcript of a March 1945 meeting with leaders of the Polish Workers' Party, Stalin ruled out the collectivization of agriculture as a "complete fantasy" for the next few decades.⁴ Instead he encouraged his audience to accept the need for an independent Peasant Party corresponding to the long term existence of individual economy in agriculture. Stalin insisted upon the Peasant Party being afforded genuine autonomy to ensure its credibility because "opposition on some matters does not preclude loyalty although the opposition cannot be allowed to turn the government into a discussion club." In Polish conditions, Stalin looked for a somewhat more than purely formal pluralist political system that would reflect the complex nature of postwar Polish society and permit some space for the resolu-

tion of the inevitable conflicts in the course of modernizing a predominantly agricultural society.

Recent publications of the Bulgarian historian, Mito Isusov, have shed new light on the ways in which Stalin took Bulgarian communists in tow after the war. Throughout 1945 and 1946, Stalin would try to dampen the ardor of a Bulgarian party that he clearly considered excessively revolutionary and a disruptive influence on Soviet relations with its wartime allies. In January 1945, he admonished a Bulgarian delegation:

It would be a mistake to think that the soviet form is the only one which leads to socialism. There can be other forms such as a democratic republic. In some circumstances, a constitutional monarchy will lead to socialism.

In August 1945, the Soviet dictator gave an awkward civics lessons to Bulgarian Communists who were going too far too fast:

In a society with antagonistic classes, there has to be an opposition . . . Don't forget that for you, the evolution towards a soviet system can proceed along a different path through a parliament. This path is slow but it can also lead to this end.⁵

As late as September 1946, Stalin would announce that the Russian revolutionary model was obsolete in the modern world and the Bulgarian people were capable of making a "transition to socialism in a special manner without a proletarian dictatorship." Once more in Bulgaria, the archival record makes a solid case that Stalin continued to pursue "Teheran" policies in Eastern Europe well into 1947.

In a November 1944 meeting with the leader of the French Communist Party, Stalin again intervened personally to rein in the resistance movement and adjust its political program to the strategic objectives of the Soviet Union. Stalin's main concern was to persuade reluctant French Communists to dissolve their armed partisan militias and submit themselves to the authority of a "government recognized by the allied powers."⁶ Stalin urged French Communists to abandon what he deemed a confrontational sectarian strategy and soft-pedal their program to appeal to the "average French-

man." Above all, the PCF was told to avoid isolating itself from the political mainstream and concentrate on pulling together a "left-wing bloc" that should be ecumenical enough to encompass socialists, liberals, trade unions, and all sympathetic groups. Stalin went one step further than the Maiskii Memorandum when he advised French Communists to drop the term "Popular Front" out of deference to the sensibilities of a bourgeoisie still smarting from the working-class insurgencies of the 1930s. To enable the PCF to dissolve into this broad coalition, Stalin tacked on the suggestion that French Communists stop flying red flags in their parades and refrain from the use of the term "communist" in their programmatic literature. In the postwar world, Stalin had his heart set on doing business with the "democratic fraction of capitalists" on the basis of the wartime anti-fascist alliance.⁷

Warning French Communists not to overestimate their own strength, Stalin wanted the leadership to forswear even the theoretical option of revolution and commit itself exclusively to the parliamentary path. To the PCF, Stalin assigned the primary task of preventing a discredited collaborationist right from rehabilitating itself and returning to power in a "reactionary government" hostile to the Soviet Union. The best guarantee against a resurgent anti-Sovietism was for the PCF to become an indispensable part of a broad coalition government. The cooperative strategy outlined by Stalin for the PCF was geared towards cultivating the respectable political credentials required to play this role. Stalin's insistence on the PCF abandoning even lip service to revolutionary goals was but an aspect of the broader geopolitical strategy intended to forestall a global bipolarization that would plunge the Soviet state back into a hostile capitalist encirclement.

In his sensational book *Stalin's Unloved Child: Why Moscow did not Want the GDR*,⁸ Wilfried Loth draws upon a wealth of information unearthed from the archives of the former GDR that shows how Stalin maneuvered to put the Popular Front strategy into practice in occupied Germany. The German historian demonstrates convincingly that Stalin's conciliatory conception of the postwar world was heavily influenced

by Eugene Varga, a theoretician whom the Soviet tyrant had twice saved from being purged. Stalin's continuing respect for Varga was evident in his decision to take the Hungarian-born economist along with him to the Potsdam conference in July 1945 as an advisor. At the time, Varga was in the midst of publishing a series of controversial articles that he would combine one year later into a book entitled *Changes in the Economy of Capitalism as a Result of the Second World War*. This text provided the theoretical underpinnings for what later in the Khrushchev era would come to be known as the doctrine of Peaceful Coexistence.

In his own book and an accompanying documentary anthology, Loth draws heavily on the contemporaneous notes of Wilhelm Pieck, a veteran German Communist and former Comintern functionary. Among many historical gems, Pieck provides a running account of a June 1945 dialogue of Stalin with the leadership of the German Communist Party that mapped out the character of postwar reconstruction. Stalin laid down the law to the German delegation: their primary objective was to be the "completion of a bourgeois democratic revolution" and the establishment of a "bourgeois democratic government."⁹ This self-limiting revolution translated no more and no less into "breaking the power of the landlords" and "eliminating the vestiges of feudalism" that had provided the backbone of German militarism in the past. Pieck's notes on Stalin's marching orders confirm a more detailed summary of the stern instructions issued to the top leadership of the German Communist Party immediately before its departure from Moscow:

The political task in Germany is not to implement socialism or initiate socialist development. This tendency should be viewed as detrimental and resisted. Germany confronts a bourgeois-democratic restructuring that in its content and essence will be comparable to the completion of the bourgeois democratic revolution of 1848.¹⁰

At this point, the chief worry of the Soviet authorities was that the revolutionary tradition to which the old KPD was heir would interfere with the Teheran settlement with the United States and Great Britain.

Stalin's objective was definitely not the sovietization of Germany, but rather its permanent postwar demilitarization enforced by an alliance of the victors. His support for the peaceful reunification of a capitalist Germany was motivated by a fear that a less clear-cut outcome would enable the United States to seize upon the resulting tension to begin pulling together an U.S.-German military axis in Europe cemented by an anti-communist animus. In a February 1946 meeting with German Communists, Stalin reminded his audience that the political situation in the West with its deep-rooted parliamentary traditions was "entirely different" from that of the Soviet Union. Stalin held open the possibility of a specifically German "democratic path to working-class power" founded upon political compromise and pluralism that bypassed the need for a repressive "dictatorship." Once more in December 1946, Stalin urged a delegation of German Communists to continue seeking common ground with "left-wing elements of the German Social-Democratic Party." The object of this strategy was to establish "united front committees . . . opposing Western reaction" bent upon establishing a West German state and incorporating it into a new military alliance.

East German archives offer proof that right up until the time of his death, Stalin opposed the establishment of a sovietized regime in the Eastern occupation zone. If Stalin could be said to have a master plan, it appeared to be the consolidation of a capitalist parliamentary democracy in a demilitarized united Germany. The historical record shows that Stalin stuck doggedly to the provisions of the Potsdam agreement on a reunified Germany while a wide array of forces in the West led by Washington set about abrogating the agreement and taking the first steps towards the division of the country.

As late as mid-1947, Stalin still held out hope that the geopolitical rivalries fracturing Europe could be bridged and the United States persuaded to provide the Soviet Union with "its share" of Marshall Plan aid.¹¹ The Soviet foreign ministry was initially disposed to enter into serious negotiations with Washington to eliminate objectionable aspects of the foreign

aid plan and, according to a confidential report, mold it into "something resembling lend-lease."¹² In telegrams sent to all Eastern European capitals, Moscow encouraged its allies to "show the proper initiative" in procuring foreign aid through the Marshall Plan. Mid-way through the multilateral negotiations, the chief Soviet representative received intelligence information confirming the suspicion that he was being strung along by the Western powers who had no intention of admitting Moscow to the Marshall Plan. With all hope of foreign aid dashed, the Soviet delegation retreated into a hard-line rejectionist posture.

Even after this juncture, the Polish and Czech governments still wavered in the face of badly needed Western aid offers and only then did Stalin pull out all the stops to ensure a final rejection. After a particularly truculent session with Stalin, the Czechoslovak foreign minister, Jan Masaryk, realized that a historical rubicon had been crossed in the evolution of postwar Europe with the breakdown of the talks on the Marshall Plan: "I went to Moscow a free minister and came back as Stalin's valet."

The vacillation of Eastern European governments laid bare the internal fragility of the Soviet alliance structure when subjected to the pressures of U.S. economic might. The imposed "sovietization" of Eastern Europe ensuing after the summer of 1947 was a product of the cold war and not its cause. Stalin acted predictably in demanding coercive regimentation as the most reliable means of lashing together a ramshackle geopolitical bloc to meet a vastly superior U.S. challenge. In December 1948, a delegation of Bulgarian Communists would quote the earlier lenient Stalin in a bid to obtain more flexible conditions for replicating the institutions of the Soviet police dictatorship within their own society. On this occasion, after the Tito crisis had broken, Stalin would have none of it and stipulated that whatever they called the new order, the Bulgarian state "will carry out the functions of a proletarian dictatorship."¹³ Stalin had laid to rest the "Teheran" prospect of exchanging more open Popular Front regimes in Eastern Europe and emasculated Communist Par-

ties in the West for foreign aid and due recognition of Soviet security interests.

Towards a NATO-centric Western Europe

From the Soviet side, all the declassified information made available to date confirms that the perceived strategic interests of the rulers of the United States (and not Stalin's expansionist aims) were the driving force squandering the opportunity to build a united demilitarized Germany in the heart of Europe, avoid the postwar division of the continent, and prevent a prodigally wasteful arms race. The catalyst of the Cold War was the enormous strategic imbalance between a United States bulldozing its way towards world empire and its only real opponent, the revolutionary impulse of the anti-fascist resistance and the anti-colonial movements. The Assistant Secretary of War, John J. McCloy, would boil the moralizing rhetoric of U.S. foreign policy down to its hard core when he declared in May 1945 that the United States "ought to have our cake and eat it too." McCloy meant that the United States should feel free to claim all the conventional prerogatives of a regional power within its own hemispheric sphere of influence while simultaneously exercising the right to intervene at will everywhere in the world. Confrontation on the continent and the push towards a NATO-centric Western Europe became the means of structuring the new world order. As intended, the resulting permanent war economy contributed to the great post-war boom in the United States, Western Europe, and Japan, while burdening the Soviet Union with massive and wasteful military expenditures.

Setting the record straight on the origins of the Cold War is not just a matter of challenging the traditional prerogative of the victors to rewrite past events to suit their present purposes. Many of the interests that generated the first Cold War have been reasserting themselves, as in the dismembering of Yugoslavia and the proposed expansion of NATO in Eastern Europe. World capitalism cannot seem to do without the permanent war economy, nor the generation of tacitly

complicit demonized “necessary enemies” to justify the global repressive apparatus of the U.S. national security state.

NOTES

1. I. Maiskii, “Memorandum,” *Istochnik* 4 (1995).
2. I. Iazhborovskaia, “Check it out with Stalin” in *U Istokov ‘Sotsialisticheskogo Sodruzhestva’*, [On the Origins of the ‘Socialist Commonwealth’] ed. Gibianskii, (Moscow: Science, 1994).
3. Narinkskii, M., “Berlin Crisis,” *Novaia i Noveishaia Istorii* 3 (1995).
4. W. Gomulka, *Pamiętniki*, [‘Memoirs’] v. 2 (Warsaw: BGW, 1994), p. 477.
5. M. Isusov, *Stalin i Bulgariia* [‘Stalin and Bulgaria’] (Sofia: KO, 1991), pp. 16, 33-34.
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7. M. Narinkskii, “USSR and the Marshall Plan,” *Novaia i Noveishaia Istorii* 3 (1995).
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9. W. Pieck, *Aufzeichnungen zur Deutschlandpolitik 1945-1953* [‘Notes on German Politics’], eds. R. Badstuebner and W. Loth (Berlin: Akademie, 1994), pp. 50-51.
10. W. Leonhard, *Die Revolution entlaesst ihre Kinder* [‘The Revolution Devours its Children’] (Cologne: Kiepenheuer, 1995), p. 332.
11. G. Adibekov, *Kominform i Poslevoennaia Evropa* [‘Cominform and Postwar Europe’] (Moscow: IuR, 1994), p. 25.
12. M. Narinkskii, “USSR and the Marshall Plan,” *Novaia i Noveishaia Istorii* 2 (1993).
13. M. Isusov, *Stalin i Bulgariia*, p. 168.

I am a revolutionist by birth, reading, and principle. I am always on the side of the revolutionists because there never was a revolution unless there were some oppressive and intolerable conditions against which to revolute.

Mark Twain, interview, *New York Sun*, 15 April, 1906

CORRESPONDENCE

Scrofula—"The King's Evil"

by Percy Brazil

Before you are inundated with letteres complaining about Fred Engels's assertion (which he makes twice on page 12, (*MR* 6, vol. 47, November 1995) that the spread of the potato in Europe was at the same time responsible for the spread of scrofula, I think I should arm you with the appropriate information.

Scrofula in England used to be called "The King's Evil" for it was believed that just a touch by the monarch could cure anyone suffering from the disease. Reb Shmuel Johnson (the lexicographer whose word definitions were oft more difficult to understand than the words themselves) in 1712 when he was a wee lad of three, was taken to Queen Anne, for the royal touch, as he had acquired the disease from his parents. Nisht helfen—which is perhaps the reason that these words do not appear in his dictionary.

Of course, we now know that scrofula is tuberculosis of the lymph glands and is caused by the tubercle bacillus. The organism was famously identified and classified by Robert Koch in 1882, and the information as to the cause of scrofula was rapidly and widely disseminated. Darwin published the *Descent of Man* in 1871, and we know that both Fred and Karl had read it, and were deeply impressed by it. I don't know when the *Dialectics of Nature* was written, only that it was published posthumously in 1927. But if he had written it prior to 1882 then he couldn't have known that he had given potatoes a bum rap, and he might be excused the faulty dialectics involved. But if he wrote it *after* 1882, I may just have to take down his picture that I have hanging over the fireplace. I can finish by saying that the word is rarely used now, except in phrases like, "Get out of here you scrofulous social democrat."

Percy Brazil is a retired physician and longtime supporter of *MR*.

BOOKS

A Serious Person

reviewed by W.H. Locke Anderson

From Pentagon to Penitentiary, Book Four of *The Education of a Reluctant Radical* by Carl Marzani, New York: Topical Books (260 W. 21st St. New York, NY 10011, 212-645-5843), 1995. 278pp. \$24.95 cloth, \$14.95 paper.

Book Four of Carl Marzani's memoirs, *The Education of a Reluctant Radical*, takes up where Book Three leaves off. Carl and his wife Edith have returned to the United States from their trip around the world on \$745.08 and have taken up residence in New York City. The first four chapters cover the two years from August 1939 to August 1941 when Carl was a CP cadre on the Lower East Side of Manhattan, operating under the alias Tony Wales. He and Edith had transferred their memberships from the British Party which they had joined on their travels.

Speaking of this period in his life he says:

Communists were a humane, democratic force on the Lower East Side. We eased suffering, nourished hope, and organized our neighbors to defend their rights and needs. And through the cellar clubs hundreds of young people were steered away from violence and crime. I was very proud of the comrades in my section; fifty years later I still am. At any opportunity I trumpet that pride.

Joining the party in these times was, I think, an act more honored in the observance than in the breach, to turn Shakespeare's phrase around.

Carl weathered the storm over the Hitler-Stalin pact and the Soviet attack on Finland, but separated from the Party in the summer of 1941

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by mutual agreement. The separation did not, need I say, buy him forgiveness from the U.S. right. Nor did it in any sense represent an ideological shift. He remained a small-c communist all his life.

Carl was a wonderful story teller. He understood the importance of concreteness and had a practiced eye for detail. That is a major reason why the successive volumes of *The Education of a Reluctant Radical* have held my attention so well. In particular, he has introduced so large a cast of characters that almost anyone with a long connection to the cultural and political life of the northeastern United States will encounter people to whom he or she is somehow connected. Four such people appear in the early pages of Book Four who later figured in my life during the 1950s: James Phinney Baxter, who was President of Williams College when Carl was a student there and was still in office when I came along a generation later; Emile Depres, who taught economics at Williams when I was a student; Edward S. Mason, who was Dean of the Littauer School at Harvard when I was a graduate student; and Paul Sweezy of *Monthly Review*.

All four were involved in one way or another with the OSS, where Carl worked during Second World War. He was hired soon after Pearl Harbor and was engaged at the outset in a variety of tasks. One of the first was to head the team that picked possible targets for the famous Jimmy Doolittle *Thirty Seconds Over Tokyo* raid. (Presumably he was picked for this task because he had been teaching economics at NYU.) The dramatic surprise raid by twin-engine bombers launched from an aircraft carrier gave a major boost to morale on the home front and a boost in the public's confidence that the war would one day be won by the Allies.

But his main contribution to the war effort was his work at the Presentations Division of the OSS, where he supervised the preparation of what are often called "audiovisuals." These were designed to gain support within the government for the programs of the OSS. This work was also the connection that indirectly got him into the penitentiary of the book's title. For him to be employed at the OSS it was necessary that he publicly deny his past membership in the Communist Party, even though his immediate superiors knew perfectly well he had been a Communist and told him to keep the whole matter a secret. As long as he was working at the OSS his past was protected from scrutiny. But the war ended and so did his employment. After Roosevelt died in April of 1945 and was succeeded by the red-baiter Truman, Marzani found himself in an environment increasingly hostile to anyone with a history on the left. Those were the days of Iron-Curtain rhetoric and the rise of McCarthyism. But the OSS connection, as long as it held together, was a safe conduct

pass. He managed among other things to parlay it into a trip to Rome, his childhood home.

At about the time that Marzani had decided to part company with the OSS, the question of his perjury when he joined it came out into the open. The OSS itself was dismantled not long after the end of the war, but, alas, the FBI was not. Neither was there anything like a general amnesty for political criminals. Quite the contrary: the end of the hot war and the beginning of the cold marked the onset of a long and vicious pogrom directed at anyone who had ever had any left leanings. These were the days of "Are you now or have you ever been a member of the Communist Party?" Carl had, and he had lied about it when he went to work at the OSS. The fact that the people who hired him knew all about his period in the Party and didn't really care was no defense. As a matter of fact, they should have been looking back over their shoulders to see who might be following them.

Carl was not daunted. He went more or less directly into making his own films, forming Union Films with his associates in the OSS to do so. Their first client was the United Electrical, Radio, and Machine Workers of America (the UE), a radical CIO union with 600,000 members. Many of its largest locals were led by Communists. The union had in its possession a short amateur film made by a union member. It contained some footage of the police beating up members who were protesting the use of scabs during a strike at the Westinghouse plant in Philadelphia. After they showed it to Carl, he proposed that they use it as the nucleus of a fifteen-minute film on the strike. Julius Emspak, one of the officers of the UE, rejected Carl's initial, somewhat naive effort, but together they sketched the outlines of *Deadline for Action*, which turned out to be exactly what the union wanted. *The New York World Telegram* used two full columns on page 3 to denounce the film under the headline "Deadline Wins an Oscar in Moscow."

The real climax of the book is reached in chapter 11, which covers the events of June 1946 when Carl was indicted on the grounds that he had willfully, unlawfully, and feloniously made a false and fraudulent statement, denying a long list of connections to the Communist party. Carl immediately contacted William "Wild Bill" Donovan, head of the OSS during Carl's years there, in the hope that Donovan would represent him, but Donovan decided not to get involved. Carl was indignant, but his wife Edith reminded him that he was a communist and asked him what he had expected Donovan to do. Carl then engaged Charles Ford, the only one of the city's major trial lawyers who would touch his case. The UE paid Ford's fee.

The presiding judge, who had once been an aide to Harry Truman, of course made things as easy for the prosecution as he could. Since the case was tried in Washington, a third of the jurors worked for the government and most of the rest had relatives who did. The verdict was foregone, and the sentence one to three years.

This brief summary and commentary hardly do justice to the rich outpouring of detail that characterize the whole of *The Education of a Reluctant Radical*. Carl had a remarkable gift for narrative and he put it to good use in telling his own story.

Book 4 closes with a quotation from Habermas taken from the March 24, 1994 issue of *The New York Review of Books*:

I should add the rider that one thing we can still learn from the Marxist tradition today is the critique of capitalism. Indeed, this may even be more important today since capitalism has experienced a huge increase in self confidence, thanks to the collapse of state socialism. Hardly anyone today would venture to criticize capitalism. At the same time, we have seventeen million unemployed in the European Union alone, and no one and that includes me has any idea how we are going to break out of the cycles of jobless growth. In other words, we need new ideas with which to criticize this system. But the ultimate criterion must be the creation of radical democracy, and this of course includes welfare state measures to tame capitalism to some point where it becomes unrecognizable as such.

Carl was a significant person in the history of this country, one of the few victims of the Cold War who was able to turn his tribulations into triumphs. And the man really knew how to write! I find it difficult to fault his grasp of the immensely complex historical situation at the end of the Second World War and of his place in it. And so while I look forward to the final volume of these memoirs, I deeply regret that the life that is so ably chronicled in them now is ended. It seems almost as though Carl, despite a great deal of pain, was determined to hold on until he finished telling his story, and then allowed himself to die.

Jane Jacobs, the urban sociologist, attended school in Scranton, Pennsylvania when Carl did. She is quoted on the dust jacket calling Carl "one of those rare autobiographers who is simultaneously a first-rate biographer of his place(s) and time." He was all of that, to be sure, but much more. From his early days with the Communist Party on the Lower East Side to the last pain-ridden months of his life when he was struggling to finish these memoirs, Carl fought the good fight. It was an honor to know him, and I regret that I did not know him better. Along with his close friends and the many admirers of his films and his writing, I shall miss him. A serious person, the Italian Eurocommunists called him. A serious person indeed.

The Intellectual and the Challenge of Palestine

reviewed by Nubar Hovsepien

Edward W. Said, *Representations of the Intellectual*. New York: Pantheon, 1994. 144 pp. \$11.00; *The Politics of Dispossession—The Struggle for Palestinian Self-determination*. New York: Vintage Books, 1995. 450pp. \$15.00; *The Pen and the Sword—Conversations with David Barsamian*. Monroe, Maine: Common Courage Press, 1994. 224 pp. \$29.95 library ed., \$9.95 paper; *Peace and Its Discontents: Essays on Palestine in the Middle East Peace Process*. New York: Vintage, 1996. 188 pp. \$11.00.

Edward W. Said is my friend, a fact which is the source of much pride for me. Despite his chronic illness, he wants “to press on with the tasks at hand. I’ve got a lot to say and write, I feel, and I just want to go on doing that” (*The Pen*, 170). He is bold, courageous, and outspoken. He has been critical of Palestinian strategy and tactics for a long time, and was one of the first Palestinians to advocate a two-state solution. Despite this, many from the Jewish and Israeli peace camps find him problematic. They would rather befriend former PLO activists, who may have in the past engaged in “violent” activities. Their violence is almost forgiven, but Said’s intellectual power is more difficult for the peaceniks to accept. Despite being an early advocate of peace, he has never accepted the urging of his critics (M. Walzer, M. Lerner, etc.) to forget the past. For Edward Said, the role of the intellectual is to bear witness, and to confront power by telling the truth. He asserts that modern Jews are encumbered by what has been done to Palestine in their name.

For years Said was seen in the U.S. media to be “Arafat’s man,” or the voice of Palestine. For the past few years, since the signing of

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the 1993 "Oslo Agreement" between Israel and the PLO, Said has unleashed a systemic critique of the PLO leadership. He considers that the PLO, in acquiescing to a bad "peace," has "now joined the other side and is talking about the obliteration of the past. The idea of a collective memory is now rapidly becoming disallowed even by Palestinians" (*The Pen*, 16). This among many other developments is unacceptable to Said. Thus, he has called upon Arafat to resign. Why has Said turned against Arafat? And why are Arafat's former enemies (Israelis and Americans) now annoyed with Said?

Said's six 1993 Reith lectures for the BBC, published in *Representations of the Intellectual*, explore the role that intellectuals should assume in modern society. Simply put, the role of the contemporary intellectual is to speak "truth to power." Like Julien Benda, Said believes that the intellectual must insist on truth and justice, and give "utterance not to mere fashion and passing fads but to real ideas and values, which cannot be articulated from inside a position of power" (*Peace and its Discontents*, 197). Said's conception of the intellectual both expands and is consistent with Gramsci's agenda for the "organic intellectual." He or she must uphold broad moral interests, especially in defense of the deprived and oppressed of society. Said insists that the intellectual must never shy away from criticism because of loyalty to the nation. Thus, the native intellectual must resist the temptation to

narcotize the critical sense, or reduce its imperatives, which are always to go beyond survival to questions of political liberation, to critiques of the leadership, to presenting alternatives that are too often marginalized or pushed aside as irrelevant to the main battle at hand" (*Representations of the Intellectual*, 41).

In *Representations of the Intellectual*, Said exhorts the modern intellectual to resist the lures of power and specialization. The independent intellectual must universalize and give greater scope to the crisis confronting a nation at any given time, by associating that experience with "the suffering of others" (*Representations*, 44). It is precisely these intellectual and moral concerns that Said invokes to probe issues pertaining to Palestine and the Middle East.

The Politics of Dispossession is a useful volume that assembles essays written over a quarter century. Here Said introduces, discusses, advocates, and criticizes the Palestinian movement. Though some of the essays might be dated today, they nevertheless provide an important chronicle of the adversity that the modern Palestinian movement has confronted since its reactivation after the 1967 war.

It is a history full of setbacks, as evidenced by the wars and crises that the PLO and the Palestinian people have had to endure.

During the period of adversity, Said supported the Palestinian leadership's quest for independence and statehood. Since 1991, when the PLO leadership acquiesced to U.S. conditions for participation in an international peace conference, Said has faulted this leadership for succumbing to unacceptable conditions, and in fact views them as the equivalent of a Vichy government that has lost sight of its peoples' fundamental objectives: self-determination for the West Bank, Gaza, and the Palestinian people. Instead, the goal of self-determination has been replaced with limited self-rule for Palestinians.

Peace and its Discontents can be viewed as a sequel to the above mentioned book. In this collection of essays, Edward Said presents the reader with a "dissenting record of what took place for almost two years, from the 'historic handshake' on the White House lawn in 1993 until, roughly speaking, its second anniversary" (*Peace*, x). Unlike most observers, Said maintains that the "Oslo Peace Process" is deeply flawed because it is ultimately a "peace" without any semblance of *justice*. Said insists that from the secret negotiations in Oslo to the present, Arabs have capitulated unnecessarily, and Israel has in fact "achieved all of its tactical and strategic objectives at the expense of nearly every proclaimed principle of Arab and Palestinian nationalism and struggle" (*Peace*, xxv). Edward Said refused an invitation from the White House to attend the 1993 signing ceremony because he viewed it as a day of mourning for all Palestinians. The meaning and implications of this historic event are captured in the following words:

For the first time in our history, our leadership has simply given up on self-determination, Jerusalem, and the refugees, allowing them to become part of an undetermined set of 'final status negotiations.' For the first time in our recent past, we accepted the division of our people—whose unity we had fought for as a national movement since 1948—into residents of the Occupied Territories and all the others, who happen today to constitute over 55 percent of the Palestinian population; they exist in another, lesser category not covered by the peace process. For the first time in the twentieth century, an anticolonial liberation movement had not only discarded its own considerable achievements but made an agreement to cooperate with a military occupation before the occupation had ended, and before the government of Israel had admitted that it was in effect a government of military occupation. (To this day Israel has refused to concede that it is an occupying power.) (*Peace*, xxix)

Let me be candid. I too was less than enthusiastic about the prospects of the Oslo peace process. Even before the White House

ceremony of 1993, I expressed my doubts in an article that I titled: "Will Arafat become the Israeli's Enforcer?"¹ The question mark in the title represented my only concession to optimism. Since then I have not only followed the unfolding events, but I have seen their impact. In the past thirteen months I have visited Israel and Palestine four times. My last two trips took place in December 1995 and January 1996, on the eve of the much heralded Palestinian elections. From Jerusalem, I called Said, who asked me: "Are my writings and criticism too harsh?" I said "no," but this short answer requires some elaboration.

The Palestinian elections held on January 20 were preceded by Israeli redeployment and withdrawal from major Palestinian cities and towns. Moreover, it is fair to say that most Palestinians were genuinely interested in having a direct input on the shaping of their future. This future, however, is hampered by continued Israeli occupation, and by the constraints imposed by the provisions of the various Palestinian-Israeli agreements. The last one, signed on the White House lawn on September 28, 1995, is popularly known as Oslo II. By way of an illustration, I will focus on a selected number of issues.

Continued Israeli Occupation: Palestinians have secured control over seven modest towns and partial control over 440 villages, which amounts to less than 20 percent of the total area of the West Bank. In this redeployment, Israeli forces have been stationed on the outskirts of Palestinian towns, and they are establishing sixty-two new military bases in the West Bank. According to Said, Palestinians obtained "a series of municipal responsibilities in Bantustans dominated from the outside by Israel. What Israel has gotten is official Palestinian consent to continued occupation" (*Peace*, 147). In addition, Palestinians have no jurisdiction over security matters, land, water, and resources in more than 80 percent of the West Bank. They also have no authority over the police, the army, or the Israeli settlers. There are approximately 150,000 settlers who live in 144 settlements in the West Bank. (If the area east of Jerusalem is included, the number of settlers has reaches almost 320,000.) This agreement prevents the evacuation of any settlement during the five-year interim period scheduled to end in May 1999. Said notes that these settlements

will be untouched and a system of roads will connect them to one another, making it possible for settlers, like whites in the old South Africa, to avoid or never even see the people of the Bantustans, and making it impossible for Palestinians to rule over any contiguous territory. (*Peace*, 148)

In fact, a whole new network of roads, euphemistically called “bypass roads” have been paved with incredible speed to enable Israeli settlers to bypass Palestinian population centers.

The late Prime Minister Yitzhak Rabin ordered a complete halt to the planning of settlements in the West Bank in January 1993. Despite this, the Israeli government’s exceptions committee approved 417 requests for settlement construction and planning.² In the same issue of this report, Geoffrey Aronson notes that Peres “believes that settlements can be permanently secured and expanded while satisfying Palestinian national aspirations. A close reading of the Oslo II agreement reflects that Yasser Arafat has acquiesced in this seductive view.” According to Israeli novelist David Grossman, the Jewish left has also remained silent and oblivious to the increased settlement activity. Said quotes the following from an article written by Grossman in the Israeli daily *Ha’aretz* on April 4, 1995:

Does our very silence constitute a dereliction of historical proportions which will have bitter consequences for Israel for generations to come? . . . it may be that the “entity” that Rabin is willing to “grant” them [Palestinians] will in fact be a weird hybrid between autonomy and confederation, crisscrossed by ‘Israeli’ roads and fences, and spotted with numerous settlements at strategic points, in a way which will perpetuate the settlements. An as-if state. (*Peace*, 151-152)

Rabin’s assassination is only one example of Grossman’s fears of “bitter consequences.”

Limited Palestinian Autonomy: It has been over two years since the signing of Oslo I, and contrary to popular opinion, large parts of Gaza (40 percent) remain under Israeli control. All members of the Palestinian Authority, including Arafat, require Israeli permits to enter or leave the territory. In addition, severe restrictions are placed on the movement of goods and raw materials. Border restrictions and the strange shape of the “embryonic quasi state bequeathed to the Palestinians—it now looks like Swiss cheese, with the Palestinians getting the holes and Israeli troops and settlers getting the cheese—don’t exactly inspire investor confidence.”³ The promise of economic prosperity as a result of the peace process is simply nowhere to be found.

US Policy: Instead of objecting to these policies, the Clinton Administration has done nothing. It simply continues to supply Israel with \$5 billion annually, in addition to \$10 billion in loan guarantees. This silence coupled with these financial rewards embolden Israel to expropriate more land. In contrast, Palestinians, are urged to pursue a course of “pragmatism” and “realism” in order

to reap the fruits of the “peace process.” This “peace process” is nothing but a mantra to guarantee the imposition of U.S. and Israeli power. Said adds

The peace process will grant Israel what it has wanted from the Arabs, an unequivocal legitimacy as a state built on the ruins of Arab society and, perhaps more important, an opportunity, with the United States, to enter and benefit from a vast new Arab market. (*Peace*, xxxiv)

With U.S. backing Israel expects to emerge as the new economic and military superpower of the Middle East.

Elections and the New Palestinian Polity: Within a few months of the signing of Oslo I, Israeli authorities gave Arafat permission to set up the headquarters of the Palestinian Authority (PA) in Gaza. After twenty-seven years of exile, on July 1, 1994, Arafat arrived in Gaza. The parameters of the PA's powers were constrained by Israeli stipulations. Arafat's mandate was not to build a democratic order, but to stem violence and “terrorism,” and to ensure security and stability, thus enabling the “peace process” to go forward. Upon assuming power, the PA was expected to subdue, by physical force if necessary, all of its Palestinian opponents. Like other instances in the history of decolonization, a retreating power—Israel in this case—is to turn power over to personalities and groups of proven “reliability.” Arafat was keenly aware that were he to fail in his function as henchman for Israel the United States, he would provide the Israelis with the pretext to repudiate the agreement.

The first order of business was to bolster the PA and its expanding infrastructure. Unbeknownst to him, Arafat proved to be a good student of Harvard's Machiavelli, Samuel Huntington. The latter's opus on political order prescribed to Third World nations the need to establish order by building up the military and security apparatus. Arafat followed this formula to the letter. Within months after Arafat entered Gaza, Said notes, up to seven Palestinian

intelligence services (many of them affiliated with the Shin Bet and Mossad) were reporting to him; since that time the number has increased to nine! People have been tortured to death. Newspapers have been closed. Opponents are being rounded up. And still he rules, and most of his people either endure that rule silently or try to get a position in it. (*Peace*, xxxi)

By virtue of expanding the institutions of the PA, Arafat has established a system of political patronage, thus making him the single largest employer in Gaza. In this context, corruption has not only spread but been encouraged.

On the economic front Arafat has tried to lure the private-sector, expatriate Palestinian businessman to invest in the areas under

PA control. Such investments, he reasoned, could spur economic prosperity, thus rendering the “peace process” more acceptable to the ordinary citizen. A visible role for the private sector would also increase the level of aid from the international donor community. Indeed some projects have started, but as expected, they are mostly concentrated in real estate speculation and construction. In reality this type of economic activity has not improved the lives of the majority of the people who continue to languish in squalor. In this connection, in an article titled “Patriotism and the Private Sector,” (*Al-Ahram Weekly*, 7-13 December 1993) Said notes:

It is no wonder then that the Palestine Authority—like other such bodies in the Third World—has decided that its allies are businessmen and its enemies are nongovernmental institutions, i.e. the institutions that make a civil society possible.

To perpetuate his patronage system, Arafat is always in need of unrestricted funds without the scrutiny of auditors. On this score, Arafat’s key brokers have made sweet deals with Israeli businessmen, giving the latter a monopoly over the supply of fuel and building materials. For example, construction accounts for 40 percent of Gaza’s GNP. Part of the commissions paid by the Israelis is “often channeled into an unaudited fund controlled by Yassar Arafat himself.”⁴

The PA clearly understood that it needed elections to legitimize its rule and insisted on holding them before the start of the final status negotiations. Though Israel preferred to postpone them to the end of the five-year transition period, they assented to the Palestinian request. In effect, the election law had to gain a priori Israeli approval. The electorate was to select a “President” by popular (national) vote, and an eighty-eight member “legislative council” would be selected by regional representation. Six hundred seventy-six candidates contested the eighty-eight seats. The outcome was predictable. Arafat won by about 88 percent of the vote, and Fateh, which is headed by Arafat, emerged as the undisputed victor in the legislative council.

It should be noted that until now, the functions and powers of the legislative council have been largely undefined. It is safe to guess that neither Arafat nor his Israeli interlocutors will permit this body to play a role in the final status negotiations. The electorate was quite enthused to have the opportunity to shape their destiny. However, voters had to register according to their Israeli identification numbers, allowing the Israelis to clear each one. In addition, to be certified, all the candidates had to secure Israeli approval.

Writing for the *Al-Ahram* weekly on the eve of the Palestinian elections, Said observed that despite the election, Arafat will continue "to run things as a personal fiefdom." Later in the same article, he expressed the hope that

the idea of elections at the very least promises the possibility of change . . . Perhaps people will ask more questions, issue more challenges, demand more answers. But my real hope is that the elections might also make it slightly more difficult for Yasir Arafat and his trusted men to govern as they please, with no respect for the people they supposedly serve. (January 1996)

Conclusions: Since the Oslo peace process unfolded, and after the conclusion of the Palestinian elections in January 1996, Palestinian society has been confronted with a new reality. First, the PLO as a liberation movement has for all practical purposes ended. This should open the door for the replacement of solidarity based on the old politics, which subordinated the social and political concerns to the national struggle; to a new politics that gives primacy to peoples' political and social needs. The journalist Lamis Andoni observes that the "election campaign has ended with a deepening feeling of an emerging ruling elite, whose economic interests are tied with Israel, and a widening social economic gap in the West Bank and Gaza."

To confront these challenges, Palestinian society will need to stir up debate, to enable the emergence of a new vision for the future. Towards this end, Edward Said has tried "to say things that need to be said but have not been, and to ask questions that others, living close to the tumultuous events of the past two years, have been perhaps, unable to say," (*Peace*, xxxiii).

NOTES

1. Nubar Hovsepien, "Will Arafat become the Israelis' Enforcer?" *Newsday*, 5 September, 1993.
2. See *Report on Israeli Settlements*, January 1996.
3. Quoted from *Newsweek*, 11 December, 1995.
4. Peter Hirschberg, "Playing Monopoly," *The Jerusalem Report*, 22 February, 1996.
5. Lamis Andoni, *Middle East International*, 2 February 1996.

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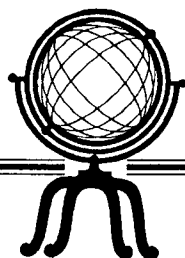
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they have all been so patently inadequate, not to say ridiculous, that hardly anyone has even bothered to refute them.

Meanwhile, a different attitude toward the problem of stimulating economic growth has been gathering attention. Louis Uchitelle, the *New York Times*'s premier economics reporter, has been following this development for some time. Covering the annual meeting of the American Economic Association during the first week in January, Uchitelle reported a lack of concern among the assembled economists about the government deficit that was at the time such a hot topic in Washington. And as for the alleged threat of rising health costs to future budgets, he reported "nearly everyone noted that if the nation could return to strong economic growth, the deficit would not be a problem." In conclusion, Uchitelle wrote: "But none of the economists saw a way of turning the nation to a sustained period of the sort of strong economic growth that characterized the 1950s and 1960s, when a more robust economy promised enough tax revenue to pay all the bills without a deficit. 'The best way to solve the problem is to try to make the economy grow faster,' Mr. Solow [Nobel Prize-winning economist from M.I.T.] said. 'But we don't really know how to do this.'"

Uchitelle returned to this theme in a lengthy commentary (March 17) on the *Times* "Downsizing of America" series (eight articles that ran from March 3 to March 9). Once again, the emphasis is on the contrast between the 1950s/1960s and the present. "Then," he writes, "economic growth . . . was more than 4 percent a year. That is nearly twice as much growth as the economy is capable of generating in this decade, even operating full-tilt." And he adds, "what is striking is how widely this view is held among economists." Uchitelle next examined some of the arguments that purport to show the feasibility of increasing the growth rate, and summarizes the economists' reasons for rejecting them. In the end, he says that "the conclusion is the same: much less economic growth until well into the twenty-first century."

What are we to make of all this? Much, much more than can be squeezed into this small space. So we will content ourselves here with a few (we hope) pithy remarks, some of which may be expanded later on. (1) We tend to agree with Uchitelle's (and presumably most of the economists') prophetic vision: stagnation well into the twenty-first century. (2) We don't believe for a minute that Professor Solow, not to mention the rest of the economics profession, doesn't know how to make the economy grow faster: what they really mean of course is that as long as capital is in power, they don't know how to make the economy grow faster than capital wants it to. (3) All this talk about growth as good and faster growth as better, leaves out the truly important questions: Do we need growth? If so, what kind of growth? And, (4) how about at least beginning to talk about an economy/society that rejects permanent growth as the oxymoron it obviously is and focuses on the really important issues of human and planetary existence?

May is the month of *Monthly Review*'s forty-seventh birthday. It also marks the month of the seventy-fifth birthday of Father Daniel Berrigan, S.J., who has led a life devoted to protest and resistance through struggle against war and nuclear armaments, poverty, injustice, and hypocrisy.

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